

**MINUTES OF THE
COMMERCE AND REVENUE
APPROPRIATIONS SUBCOMMITTEE**

Room 110, West Office Building, State Capitol Complex
February 2, 2006

MEMBERS PRESENT: Sen. Mark Madsen, Co-Chairman
Rep. Peggy Wallace, Co-Chairman
Sen. Curtis Bramble
Rep. Jim Dunnigan
Rep. Craig Frank
Rep. Lorie Fowlke
Rep. Ross Romero
Rep. Mark Wheatley
Rep. Richard Wheeler

MEMBERS ABSENT: Sen. Ed Mayne

STAFF PRESENT: Stan Eckersley, Fiscal Analyst
Barbara Thomas, Committee Secretary

Note: A list of handouts and visitors lists will be filed with committee minutes.

Co Chair Rep. Wallace called the meeting to order at 2:25 pm.

Minutes

MOTION: Rep. Frank moved to approve the minutes of January 30, 2006. The motion passed unanimously with Rep. Dunnigan absent for the vote.

Request for Appropriations

Edward Leary, Commission of Financial Institutions, spoke to S.B. 116 which would modify fees charged by the Department of Financial Institutions. He also spoke to the need for raising fees as there have been no increases since 1992 and twice they have been decreased.

Department of Financial Institutions

Stan Eckersley, Analyst, reviewed the performance measures for the department:

1. Total assets under supervision per examiner
2. Number of banks vs bank assets
3. Number of credit unions vs credit union assets
4. Industrial loan banks vs assets
5. Regulated lenders

Commerce and Revenue Appropriations Subcommittee

February 2, 2005

Page 2

The Analyst recommended 5 additional FTEs at a cost of \$524,000 from General Fund Restricted. This will bring the total of field examiners from 37 to 42.

Douglas Foxley, Director of Utah Association of Financial Services, indicated that the financial industry supports the funding of additional employees to allow for timely audits.

MOTION: Rep. Frank moved to approve preliminarily the Analyst's recommendations for the Financial Institutions budget plus 5 FTEs at a cost of \$524,000. The motion passed unanimously with Rep. Dunnigan absent for the vote.

Department of Commerce

Stan Eckersley, Analyst, reviewed the accountability measures as follows:

1. Complaints received vs citations for the Division of Professional Licensing
2. Operating expenses as a percent of revenue generated for Securities
3. Consumer protection complaints handled
4. Corporations business renewals
5. Real estate investigations closed
6. Public utilities complaints handled

He also stated that the Legislature must vote on department fees.

Issues highlighted which will all come from the Commerce Service Fund were:

1. DOPL construction expert at a cost of \$104,000.
2. A Proprietary schools investigator at a cost of \$66,400 .
3. Software rebuild of the Uniform Commercial Code online filing system at a cost of \$100,000
4. Real Estate Investigator at a cost of \$63,100

The intent language and the supplemental were noted in the budget brief which also needs to be considered.

Francine Giani, Director of Commerce, and Jason Perry, Deputy Director of Commerce, spoke to the issue list.

Robert Berkman, UMCA, indicated support of the DOPL position being funded.

MOTION: Rep. Wheeler moved to accept the analyst's recommendation for the base budget, fee changes and intent language for the Department of Commerce. The motion passed unanimously with Rep. Dunnigan absent for the vote.

Commerce and Revenue Appropriations Subcommittee

February 2, 2005

Page 3

Preliminary voting on Tax Commission Budget

Rod Marelli, Tax Commission Director, answered questions about the budget

MOTION: Sen. Bramble moved to accept the analyst's recommendation for the Tax Commission which includes intent language and fees. The motion passed unanimously with Rep. Dunnigan absent for the vote.

Public Service Commission

STRAW POLL: Rep. Fowlke moved to accept the \$100 fee and intent language for the PSC. The motion passed unanimously with Sen. Bramble, and Rep. Dunnigan absent for the vote.

Workforce Services

Mr. John Nixon, Deputy Director Workforce Services, reviewed the impacts of cuts to the General Assistance program.

STRAW POLL: Rep. Wheeler moved to change the ballot for prioritization so that it includes Tax Commission auditors and collectors in the amount of \$668,200, the Tax Commission postage rate increase at \$90,000 ongoing and a \$45,000 supplemental. It would also change Workforce Services General Assistance to \$4,000,000 in ongoing funds and \$3,000,000 one time funds. The motion passed unanimously with Sen. Bramble and Rep. Dunnigan absent for the vote.

There was a priority list given to each member of the Committee. They were asked to prioritize the requests and return them to Sen. Madsen or Rep. Wallace by 9 am Friday morning.

The meeting was adjourned at 4:00 pm.

Sen. Mark Madsen, Co-Chair

Rep. Peggy Wallace, Co-Chair